



# Maricopa County Board of Supervisors

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## **BOARD OF SUPERVISORS RELEASES FINDINGS ABOUT SHERIFF'S OFFICE MISSPENDING**

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Maricopa County has had objective indications that the MCSO may have misspent public money since at least March of 2010. The Office of Management and Budget (OMB) received information from MCSO and their attorneys that indicated that restricted jail tax dollars had been used, for potentially many years, to fund non-jail related operations. Funding non-jail related operations with the voter approved jail detention fund is a violation of the detention fund statutes. When the voters of Maricopa County approved Propositions 400 and 401 in 1998 and Prop. 411 in 2002, Sheriff Arpaio and the Board made a promise to the voters that their sales tax dollars would only be used to build, operate, and maintain the jails. When the Board and County Administration learned that there might be a problem with how the tax dollars were used, the County had a financial obligation to the voters to determine if a problem existed.

OMB sent the Sheriff's Office two requests regarding these important financial issues but received no response. In April, the Board issued a subpoena to Sheriff Arpaio and members of his budget staff. Instead of cooperating with the Board, the Sheriff's Office spent thousands of taxpayer dollars to sue over the production of public records and ultimately was ordered by a Court to produce the records. On July 8, 2010, the Board received 70 boxes of documents. The Office of Management and Budget has carefully reviewed the materials provided by the Sheriff's Office and has determined that the documents indicate that misspending dates back to at least 2006. Based on the information the County has received from the Sheriff, the estimated misspending is \$16 million per year. Retroactively, this indicates that \$80 million may have been misspent.

It is significant to note that the Sheriff has **not** stated that no misspending has occurred. MCSO also did not fully comply with the first subpoena. The Board issued a second subpoena to further clarify MCSO's true financial status; Sheriff Arpaio blocked that effort at transparency as well. Therefore, OMB can only rely on the information MCSO provided and must conclude that the information provided by the Sheriff's staff and attorneys is representative of the overall extent of misspending. The best possible outcome for Maricopa County residents would have been for Sheriff Arpaio to work in the public's interest by cooperating with Maricopa County's inquiry; regrettably, to date, Arpaio has chosen to fight efforts at transparency in his use of public money. County Administration is hopeful that with the new MCSO administration, this resistance to share information can be reversed. Today's presentation is an attempt to begin corrective action discussions with the Sheriff's Office.

In addition to the misuse of restricted jail tax funds, the Office of Management and Budget has a number concerns including:

- Procurement code and capital purchasing freeze violations;
- Use of outside bank accounts;
- Inmate cash handling problems;
- Extradition travel irregularities;
- Improper use of county credit cards (purchasing card – "P" card); and
- Unusual expenditures of public funds.

Today, the Board considered how to address these significant public issues, without negatively impacting public safety. County Administration will reach out to the Sheriff's Office in an attempt to resolve these issues and to enact solutions.